

EXHIBIT 1
DATE 3/9/11
SB 192

Testimony on behalf of Public Service Commission
Commissioner John Vincent, Public Service Commission (phone 444-6168)

In support of
Senate Bill 192
March 9, 2011

Chairman Vance and members of the Committee,

Senate Bill 192 is requested by the Public Service Commission. The Commission seeks to define "charter service" and requests a new class of motor carrier be established for the effective regulation of charter service. These changes are necessary to clarify the regulatory authority of the PSC over charter service providers.

First, the Commission seeks to define "charter service" in order to identify the characteristics of a motor carrier operating in charter service. The definition provided in SB 192 is supported by the industry and is identical to that provided in SB 140.

Second, the Commission seeks to establish a new class of motor carrier, Class F. A new class is necessary to clarify the PSC's jurisdiction over motor carriers offering charter service. Currently, the PSC issues Class B certificates of public convenience and necessity to motor carriers offering charter service. Section 69-12-501 MCA, requires every Class A or Class B motor carrier holding a certificate of public convenience and necessity to maintain a tariff on file with the PSC with a full and complete schedule of its rates, fares, charges, classifications and rules of service. Further, Section 69-12-501 MCA, prohibits a Class B motor carrier from changing its tariff without the approval of the Commission. The U.S. Congress preempted any State from regulating the rates and charges of a motor carrier offering charter transportation. Therefore, the PSC requests the legislature establish a new Class F that allows motor carriers to offer services whereby the rates and charges are not subject to approval by the PSC.

Third, SB 192 contains a provision for issuing Class F certificates of public convenience and necessity. The Commission has recently adopted a rule clarifying the authority on motor carrier certificates. The rule allows a motor carrier who has general authority to transport passengers and is not restricted from operating as a charter service, to offer any type of passenger service. SB 192 contains a similar provision that grants a Class F certificate of public

convenience and necessity to motor carriers who are not prohibited from offering charter service but, SB 192 places a timeframe on the motor carriers to apply for the certificate.

Finally, in addition to establishing a Class F, SB 192 changes the deadline motor carriers file their annual report with the PSC from April 1 of each year to May 1. The PSC seeks to change the deadline to a date after the income tax deadline as many of the motor carriers operate as sole proprietors and much of the information on the annual report is required tax information.

The Commission is in full support of SB 192 and believes this bill will clarify the PSC's authority for regulating motor carriers offering charter service and improve the efficiency of processing motor carrier annual reports.

Therefore, the PSC recommends a Do Pass on Senate Bill 192.